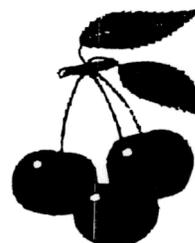




Royal Farms, Inc.

Patrick W. McGuire
PRESIDENT



07/02/03

Kenneth Johnson
USDA-Agricultural Marketing Service

RE: 2003 Tart Cherry Regulation JMO

Dear Ken,

As a result of the recent decision by CIAB to establish a regulation for the 2003 Tart cherry crop, we are experiencing that some members of the industry are opposed of our recent decision. It is important that you know the majority of the of the tart cherry growers and handlers are for the regulation. Please look at the following factors when you review this regulation decision.

The proposed regulation was approved by a super majority of the Board at an open meeting after consideration of all verifiable crop, sales and market data available.

The magnitude of this regulation will NOT change the amount of product packed or sold this year. All tart cherries will be harvested. The industry will, as always, utilize its best efforts to maximize the return to the industry by selling as much product as possible at prices that provide adequate returns.

The Order provides for adjustments to the regulation percentage in September to reflect actual production and provides for adjustments to the regulation percentage (through Reserve releases) during the sales year (July 1, 2003 through June 30, 2004) to reflect actual sales. It appears that those in opposition to the current proposed regulation may not understand this fact.

The board has been criticized in the past for what has been deemed to be "manipulation". The Board has chosen not to manipulate the regulation formula this year. The regulation proposed strictly complies with the Order.

This Order is a tool that has shown to be beneficial to our industry. It is important that the Department allow the industry to utilize this tool as it was intended.

Sincerely,

Patrick W. McGuire, (231-599-3222)
President

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